MINISTRY OF JUSTICE AND ATTORNEY GENERAL

VICTIMS' FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2010

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Ministry of Justice and Attorney General - Victims' Fund as at March 31, 2010 and the statements of operations, changes in net financial assets and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 30, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2010	2009
Financial assets		
Due from General Revenue Fund (Note 6)	$ 5,611,159	$ 3,114,792
Accounts receivable (Note 7)	1,881,930	1,874,618
Due from Public Guardian and Trustee (Note 8)	822,381	786,967
Total financial assets	8,315,470	5,776,377
Liabilities		
Accounts payable	88,628	40,241
Employee leave entitlement	46,859	43,341
Deferred revenue (Note 10)	366,760	366,760
Total liabilities	502,247	450,342
Net financial assets	7,813,223	5,326,035
Non-financial assets		
Tangible capital assets (Note 4)	41,070	-
Accumulated surplus	$ 7,854,293	$ 5,326,035

Commitments (Note 11)

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	Budget 2010 (Note 12)	Actual 2010	Actual 2009
Revenue:			
Surcharge revenue	$ 4,700,000	$ 6,434,848	$ 5,132,124
Grant – Ministry of Justice and Attorney General (Note 9)	1,463,000	1,463,000	1,147,200
Investment income (Note 8)	-	45,873	69,726
Federal Government Cost Sharing revenue	-	252,868	219,810
Other	-	50,004	21,617
Total revenue	6,163,000	8,246,593	6,590,477
Expense:			
Administration costs	725,000	704,398	634,122
Crisis intervention services	3,230,000	3,030,954	2,694,908
Court based programs	382,000	364,445	271,120
Compensation payments	600,000	375,325	315,358
Domestic Violence Courts	393,000	389,754	308,602
Restitution program	357,000	161,884	100,669
Research, evaluation and prevention	584,000	605,226	628,996
Education and training	111,000	86,349	30,537
Total expense (Schedule 1)	6,382,000	5,718,335	4,984,312
Surplus for the year	$ (219,000)	2,528,258	1,606,165
Accumulated surplus, beginning of year		5,326,035	3,719,870
Accumulated surplus, end of year		$ 7,854,293	$ 5,326,035

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2010	2009
Surplus for the year	$ 2,528,258	$ 1,606,165
Acquisition of tangible capital assets	(45,633)	-
Amortization of tangible capital assets	4,563	-
	(41,070)	-
Increase in net financial assets	2,487,188	1,606,165
Net financial assets, beginning of year	5,326,035	3,719,870
Net financial assets, end of year	$ 7,813,223	$ 5,326,035

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2010	2009
Operating activities		
Cash received from:		
Surcharge	$ 6,128,942	$ 4,909,152
Other	2,110,337	964,520
	8,239,279	5,873,672
Cash paid for:		
Salaries	1,009,135	844,016
Other	4,652,731	4,120,213
	5,661,866	4,964,229
Cash provided by operating activities	2,577,413	909,443
Capital activities		
Acquisition of tangible capital assets	(45,633)	-
Investing activities		
Purchase of investments	(35,413)	(26,543)
Increase in cash and cash equivalents	2,496,367	882,900
Due from General Revenue Fund, beginning of year	3,114,792	2,231,892
Due from General Revenue Fund, end of year	$ 5,611,159	$ 3,114,792

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2010

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act*, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code of Canada. The Ministry of Justice and Attorney General collects surcharges on behalf of the Fund. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; conduct research and distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Fund is classified as an other government organization. The fund uses generally accepted accounting principles applicable to government. The following accounting policies are considered to be significant.

a) Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

i) Surcharge and other sources

Surcharges and other sources of revenue are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ii) Deferred revenue

Proceeds of crime revenue from the Federal Government is recognized in the year the related expenses are incurred.

iii) Federal Government cost sharing revenue

From time to time, the Fund has cost sharing agreements with the Federal government to provide enhancements to victims' programs in Saskatchewan. In accordance with the agreements, the Fund recognizes revenue when the related expenses are incurred.

c) Community grants expense

Grants are expensed when approved and the recipients have met eligibility criteria.

d) Tangible capital assets

Tangible capital assets costing greater than $500 and have a useful life greater than one year are capitalized and amortized on a straight-line basis over the assets useful life.

e) Use of estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in the period when they are identified.

3. Financial Instruments

The Fund has the following financial instruments:
- due from General Revenue Fund,
- due from Public Guardian and Trustee,
- accounts receivable,
- accounts payable.

The following paragraphs provide information about the risks associated with these financial instruments and the fair values of those instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates.

The Fund's cash is held in the General Revenue Fund (a related party) and interest is paid at standard rates paid by the Government of Saskatchewan (see Note 6).

As market interest rates fluctuate, the market value of the Fund's investments held with the Public Guardian and Trustee moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity. To mitigate this risk the Public Guardian and Trustee works with an investment advisor that actively manages asset class allocations through a balanced fund approach.

The Fund's receivables and payables are non-interest bearing and as a result there is no interest rate risk associated with these financial instruments.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable and due from the Public Guardian and Trustee.

Due from Public Guardian and Trustee consists of government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Public Guardian and Trustee limits the credit risk by investing in securities considered to be high quality.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fines which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fines which will be collected, based on past experience.

c) Fair value

For the following instruments, the fair values approximate their carrying value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The fair value of due from Public Guardian and Trustee at March 31, 2010 approximates its carrying value as the amount reflects market values of the underlying investments (see Note 8).

4. Tangible Capital Assets

	2010	2009
Opening costs of tangible capital assets	$ 113,160	$ 113,160
Disposal of tangible capital assets	(113,160)	-
Additions during the year	45,633	-
Closing costs of tangible capital assets	45,633	113,160
Opening accumulated amortization	113,160	113,160
Disposal of tangible capital assets	(113,160)	-
Annual amortization	4,563	-
Closing accumulated amortization	4,563	113,160
Net book value of tangible capital assets	$ 41,070	$ -

Tangible capital assets consist of audio/visual equipment. Tangible capital assets from 2009 consisted of computer hardware. The computer hardware has been fully amortized and disposed of.

Annual amortization is included in administration costs in the Statement of Operations.

5. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). During the year, the Fund received certain administrative services from the Ministry of Justice and Attorney General and the Ministry of Finance without charge.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and related notes.

6. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily bank account balance. The Government's average 30 day borrowing rate in 2010 was 0.27% (2009 – 1.95%)

7. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals, and miscellaneous receivables. The balance at March 31 consists of:

	2010	2009
Surcharge receivable	$ 1,581,503	$ 1,275,598
Federal/Provincial Cost Sharing Agreement receivable	297,398	200,000
Other accounts receivable	3,029	399,020
Total accounts receivable	$ 1,881,930	$ 1,874,618

8. Due from Public Guardian and Trustee

The Fund invests a portion of its surplus funds through the Public Guardian and Trustee (PGT) for Saskatchewan. PGT invests these monies, together with monies it administers for its other clients, in a common fund. PGT allocates income earned in the common fund, together with part of the change in market values of common fund investments, annually to its clients, including Victims' Fund.

The Fund records amounts PGT allocates as investment income or loss and adjusts the carrying value of its investment by the same amount.

9. Grant from Ministry of Justice and Attorney General

The grant reflects funding for victims' programs from the Ministry of Justice and Attorney General. The Fund manages and pays for certain programs and receives grants for those programs.

10. Deferred Revenue

Under the federal *Seized Property Management Act* and the Forfeited Property Sharing Regulations, the Federal Government receives monies from seizures made by police during drug and other illegal activity investigations. On April 17, 2000 the Province made an agreement with the Federal Government that specifies these proceeds are to be used to support crime prevention, issues of substance abuse, and law enforcement.

	2010	2009
Deferred revenue consists of:		
Monies for RCMP operations directed at organized crime	$ 268,440	$ 268,440
Monies for public education and crime prevention	98,320	98,320
Total deferred revenue	$ 366,760	$ 366,760

11. Commitments

The Fund enters into two-year agreements with various organizations to provide victim services programs throughout the Province. The Fund has the following annual contractual commitments for 2010-11.

	2010-11
Police based programs	$ 2,365,185
Specialized programs	212,271
Domestic Violence Programs	581,892
Children Exposed to Violence	529,020
Aboriginal Family Violence Program	470,964
Total contractual commitments	$ 4,159,332

12. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

13. Comparative Information

Certain 2008-09 balances have been reclassified to conform to the current year's presentation.

Schedule 1

MINISTRY OF JUSTICE AND ATTORNEY GENERAL
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2010	2009
Expense:		
Community grants	$ 4,025,936	$ 3,628,551
Salaries	1,012,653	867,776
Proceeds of Crime program	-	-
Compensation awards	375,325	315,358
Administration	243,803	156,467
Systems expenses	56,055	16,160
Amortization	4,563	-
	$ 5,718,335	$ 4,984,312